



January 25, 2008

SENATE BILL No. 251

DIGEST OF SB 251 (Updated January 23, 2008 3:18 pm - DI 104)

Citations Affected: IC 25-26; IC 36-8; noncode.

Synopsis: Prescription drugs. Requires a nonresident pharmacy that dispenses more than 25% of the pharmacy's total prescription volume through the Internet to have certain accreditations and display the accreditation in advertisements. Allows the board of pharmacy to take certain action against the nonresident pharmacy for not being accredited or for failing to display the accreditation. Prohibits a unit from entering into a contract with a person to import prescription drugs from a foreign country unless the person entering into the contract is accredited through the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites. Allows the attorney general to bring a civil action for relief if a unit enters into a prohibited contract.

Effective: July 1, 2008.

Riegsecker, Dillon

January 10, 2008, read first time and referred to Committee on Health and Provider Services.
January 24, 2008, amended, reported favorably — Do Pass.

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January 25, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

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SENATE BILL No. 251

A BILL FOR AN ACT to amend the Indiana Code concerning prescription drugs.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 25-26-17-4.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2008]: **Sec. 4.5. A nonresident pharmacy that**
4 **dispenses more than twenty-five percent (25%) of the pharmacy's**
5 **total prescription volume as a result of an original prescription**
6 **order received or solicited through the Internet shall:**
7 (1) **be accredited:**
8 (A) **through the National Association of Boards of**
9 **Pharmacy's Verified Internet Pharmacy Practice Sites**
10 **(VIPPS); or**
11 (B) **under a program that is substantially similar to the**
12 **program under clause (A) and that has been approved by**
13 **the board; and**
14 (2) **obtain and display a seal of approval for:**
15 (A) **the National Association of Boards of Pharmacy; or**
16 (B) **the substantially similar program described in**
17 **subdivision (1)(B);**

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anywhere that the nonresident pharmacy advertises.

SECTION 2. IC 25-26-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. The board may deny, revoke, or suspend the registration of a nonresident pharmacy for:

(1) failing to comply with sections 3, 4, **4.5**, and 6 of this chapter; or

(2) conduct that causes serious bodily or psychological harm to a customer who lives in Indiana or purchased drugs from the nonresident pharmacy while in Indiana, if the board reports the matter to the pharmacy regulatory or licensing agency in the state in which the nonresident pharmacy is located.

SECTION 3. IC 36-8-23 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 23. Contracts for the Importation of Prescription Drugs From Foreign Countries

Sec. 1. A unit may not contract with a person to provide the unit, or a person on behalf of the unit, with prescription drugs imported from a foreign country unless the person entering into the contract with the unit is accredited through the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites (VIPPS).

Sec. 2. A contract entered into in violation of this chapter is void.

Sec. 3. The attorney general may enforce this section on behalf of the state by bringing a civil action for relief. Relief may include the following:

- (1) A permanent or temporary injunction.
- (2) A restraining order.
- (3) A declaratory judgment.
- (4) The recovery of funds spent under the contract.
- (5) A civil penalty of not more than three (3) times the amount of the contract.
- (6) Another appropriate order.
- (7) Reasonable expenses and attorney's fees incurred by the attorney general in investigating and enforcing an action brought under this section.

SECTION 4. [EFFECTIVE JULY 1, 2008] IC 36-8-23, as added by this act, applies only to contracts entered into or renewed after June 30, 2008.

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SENATE MOTION

Madam President: I move that Senator Dillon be added as second author of Senate Bill 251.

RIEGSECKER

 COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 251, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning prescription drugs.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 25-26-17-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4.5. A nonresident pharmacy that dispenses more than twenty-five percent (25%) of the pharmacy's total prescription volume as a result of an original prescription order received or solicited through the Internet shall:**

(1) be accredited:

(A) through the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites (VIPPS); or

(B) under a program that is substantially similar to the program under clause (A) and that has been approved by the board; and

(2) obtain and display a seal of approval for:

(A) the National Association of Boards of Pharmacy; or

(B) the substantially similar program described in subdivision (1)(B);

anywhere that the nonresident pharmacy advertises.

SECTION 2. IC 25-26-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. The board may deny, revoke, or suspend the registration of a nonresident pharmacy for:

(1) failing to comply with sections 3, 4, 4.5, and 6 of this chapter;
or

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(2) conduct that causes serious bodily or psychological harm to a customer who lives in Indiana or purchased drugs from the nonresident pharmacy while in Indiana, if the board reports the matter to the pharmacy regulatory or licensing agency in the state in which the nonresident pharmacy is located."

Page 1, line 8, delete ":".

Page 1, delete lines 9 through 12.

Page 1, line 13, delete "(2)".

Page 1, run in lines 8 through 13.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 251 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 6, Nays 0.

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